

**TRAVEL BUSINESS
ROUNDTABLE**



**THE TESTIMONY OF
JONATHAN TISCH
CHAIRMAN, TRAVEL BUSINESS ROUNDTABLE**

**BEFORE THE
SUBCOMMITTEE ON CONSUMER AFFAIRS, FOREIGN COMMERCE AND TOURISM
SENATE COMMERCE, SCIENCE AND TRANSPORTATION COMMITTEE**

**HEARING ON THE STATE OF THE U.S. TRAVEL AND TOURISM INDUSTRY
WEDNESDAY, SEPTEMBER 25, 2002**

INTRODUCTION

I am Jonathan Tisch, Chairman of the Travel Business Roundtable (TBR) and Chairman and Chief Executive Officer of Loews Hotels. TBR is a CEO-based organization that represents the broad diversity of the U.S. travel and tourism industry, with more than 70 member corporations, associations and labor groups. Loews Hotels, headquartered in New York City, operates 18 distinctive properties in the U.S. and Canada, including the Regency Hotel in New York and the Loews L'Enfant Plaza and Jefferson hotels here in Washington. The company employs more than 8,000 people across the United States. I am testifying today on behalf of both organizations about the state of the U.S. travel and tourism industry in the post-September 11 climate.

Before I begin, I would like to thank Chairman Dorgan and Ranking Member Fitzgerald for holding this important hearing and inviting TBR to testify. Senator Dorgan, our industry is particularly appreciative of your many years of leadership on issues that affect the travel and tourism industry and the traveling public, as well as your keen understanding of the importance of our industry to the vitality of the U.S. economy.

CURRENT STATE OF THE INDUSTRY

Over the past year, the travel and tourism industry has faced significant challenges on several fronts. It became apparent very quickly during the days and weeks following September 11 that the problems facing our industry were not simply airline-related. When people stopped flying – or in many cases traveling by any mode of transportation – they also stopped staying in hotels, eating in restaurants, visiting museums or theme parks, renting cars or shopping. As a result, hundreds of thousands of travel and tourism industry workers were laid off or had their hours reduced, travel and tourism companies faced

steep revenue shortfalls and state and local governments saw a rapid decline in tax revenue upon which they were particularly reliant in the recessionary economy.

Though lower prices and increased security measures have helped get Americans traveling again, the ongoing economic uncertainty in the U.S. and the perceived “hassle factor” associated with flying remain barriers to the industry’s recovery, and the slight recovery we are seeing in some industry sectors and areas of the country is uneven. As a result, individuals and businesses continue to cut back on discretionary spending, including travel. Vacations are being shortened or canceled altogether, and businesses continue to reduce non-essential travel. In addition, international arrivals continue to lag behind pre-September 11 levels.

The numbers speak for themselves:

- TBR recently conducted a poll on travel patterns one year after September 11 (summary attached). While 89 percent of all travelers think airport security is better now than it was before last fall, three in 10 (30 percent) believe that the current level of security measures imposed so far are “insufficient” and more can be done – an increase of five percentage points from last October. In addition, more than one in 10 travelers (11 percent) have canceled their flights or fly less frequently because of the hassles of airport security. While commercial airline travel is perceived to be very safe, the “hassle factor” associated with heightened airport security, a lack of confidence in the sufficiency of the airport security measures and inconsistencies in the screening process from one airport to another confirm a recent trend by travelers to make trips by car instead of airplane. For example, 44 percent of business travelers said they now travel by car more frequently for out-of-town trips.
- The September 11, 2002 edition of the Federal Reserve’s Beige Book showed that while leisure travel is up in six of the 12 districts, business travel is off across the country. Even in districts that were seeing increased visitor traffic, room rates are down and travelers are spending less on food and entertainment.
- The Business Travel Coalition’s 2001 Business Travel Survey reported that businesses cut their travel by 28 percent after September 11. In August, the BTC stated that business travel will continue to be cut an additional 11 percent this year.
- The U.S. Department of Commerce’s Office of Tourism Industries reported in August that international arrivals to the U.S. were down by 12 percent in the first quarter of 2002.
- According to the Hotel Employees and Restaurant Employees International Union, in the days and weeks following the terrorist attacks, 30 percent of HEREIU workers lost their jobs due to the decline in tourism. One year later, 15 percent of the Union’s members are still out of work, and many of those who are employed are working reduced hours.
- The National Restaurant Association reports that while sales at restaurants and bars have been strong in 2002, employment in these establishments remains down by 180,000 jobs since the recent peak in July 2001. Moreover, job growth at restaurants and bars fell well below the overall economy in recent months. In the 12 months ending August 2002, restaurant and bar employment declined at a 1.8 percent rate, or double the 0.9 percent decline in the country’s total non-farm employment rate.

- New York City's convention and visitors bureau, NYC & Company, of which I am Chairman, reports that while the City has seen an upswing in domestic leisure visitors in the past year, its recovery is partial, as business travel, visitor spending and lengths of stay are down. Preliminary numbers indicate that international visitorship is down as well.
- According to the Convention Industry Council, more than 100 exhibitions were canceled last year, and trade show attendance dropped more than 20 percent in the fourth quarter of 2001. Attendance at tradeshow this year is down 8 to 10 percent, and the renewal rate on most exhibitions is off by 50 percent or more. Moreover, international attendance at tradeshow has fallen by 50 percent since last September.
- Economists and travel planners have said that they do not expect the hotel industry to return to the profit levels experienced in 1999 and 2000 until mid-2004 at the earliest.

It is extremely important to note that this unevenness in recovery is not just affecting the employees and owners of travel and tourism businesses. Cities, counties and states that were already beginning to see budget shortfalls due to last year's economic downturn have also been deeply affected by the decline in the tourism and sales tax revenues that visitors bring to their jurisdictions. Forty-one states are currently experiencing major budget shortfalls, and Governors often cite a dramatic decline in travel and tourism tax receipts as a major cause. As a result of these revenue declines, states and local governments have been forced to reduce services at exactly the same time their citizens – who are also feeling the effects of the economic slump – require more assistance.

WHERE DO WE GO FROM HERE?

The travel and tourism industry, as well as many states and cities, have undertaken a number of efforts in the past year to encourage people to start traveling again. TBR took the lead last fall to work with Senators and Members of Congress to craft viable proposals to stimulate travel that could be included in an economic stimulus package. We also commissioned two major surveys – conducted at the beginning and end of October 2001 by Penn, Schoen, Berland and Associates and Burson-Marsteller – which we shared with the industry and the federal government, that helped us gain a better perspective of traveler confidence. On the marketing side, the Travel Industry Association launched a Travel Industry Recovery Campaign, funded by all sectors of the U.S. travel and tourism industry, which included a plea from President Bush for people to start traveling again. On the local level, states such as Florida and California, and cities such as New York and Washington, undertook successful public-private advertising campaigns to attract travelers in the region and within their own jurisdictions. We can all be proud of how our industry and state and local governments came together to work toward recovery. And, while we are seeing promising signs that reaffirm the progress being made, we clearly have more work to do as we look to work collaboratively with our elected officials to find solutions that will get more Americans traveling, and spur more international travelers to visit the U.S.

The collaborative nature of this effort is key. Included in my testimony are a number of recommendations about how the industry, states and local governments and the federal government can work together to achieve a true recovery for travel and tourism in the U.S. **However, the most fundamental thing that you, as Senators, can do right now is listen to us and believe us when we say that the United States and all of the destinations within it represent a unique product that we can and must market to the world with as much effort as we market any other American export product.**

Just as we worry about losing market share to our foreign competitors for products such as automobiles and computers, Americans need to understand and respond to the fact that we have been losing out to our foreign competitors in the area of travel and tourism for several years now. The events of September 11 only served to exacerbate that decline. The numbers paint a very clear picture. Though travel and tourism generated a balance of trade surplus of nearly \$26 billion for the United States in 1996, by 2001, that surplus had plummeted to \$7.7 billion. Moreover, for several years now, the U.S. has been ranked as the *third* most sought-after travel destination behind Spain and France.

What do these countries have that we don't? For one thing, they spend tens of millions of dollars to promote themselves to foreign visitors. In 1997 – the most recent year for which such figures are available – the government of Spain spent \$71.6 million to promote the country as a desirable tourist destination. France spent \$57.4 million. Meanwhile, the United States spent nothing.

In 2000, international visitors spent an estimated \$106.5 billion in the U.S. It is well known that international visitors spend more than domestic travelers when they travel. For example, New York City is the nation's number-one international visitor destination, and though international travelers comprise only a small portion of the City's visitors, they are responsible for a disproportionately high level of spending. In 2000, though foreign visitors made up only 18 percent of New York's total visitors, they were responsible for 42 percent of all visitor spending. It seems like good business sense – and good policy – to spend some money on promoting what the U.S. can offer to these visitors in an effort to retain and grow this powerful market share.

Beyond the financial benefits, travel and tourism increases awareness and understanding among diverse cultures and can help eradicate prejudices based on ignorance. The need to better define America abroad has become all too clear since the events of last fall. The marketing of the United States overseas would be an ideal mechanism to help combat misconceptions about us around the world.

RECOMMENDATIONS

TBR has a number of recommendations for both short- and long-term programs and initiatives that Congress can enact to help the U.S. regain its dominance in the international travel and tourism market, as well as stimulate the domestic leisure and business travel sectors. We offer these suggestions with the recognition that the federal government is experiencing the same types of fiscal restraints that state and local governments and the private sector are also facing. As has been the case since our inception, it is TBR's goal to offer politically and economically feasible solutions. We do not want to overreach or ask for things that are unrealistic or unachievable. However, we hope that you will share our belief that a small investment now will yield multiple returns in the coming years.

For several years now, TBR has been calling for the development of an aggressive brand marketing campaign, funded from both private and public sources, to promote the U.S. as a desirable travel destination. The federal government must play a role in this effort, as it is the United States as a whole that will be marketed as a product. TBR has been in discussions with the Commerce Department and is exploring the possibility of undertaking partnered research between the Department and the private sector, to be conducted by an academic institution, that would examine successful international marketing efforts by our largest foreign competitors. We hope that the information derived from this important study will create a roadmap for the development and funding of an economically and politically credible international destination marketing program for the United States.

Recognizing that resources are scarce and this year's congressional timetable is growing shorter, we would like to offer some incremental measures to start us on the path to this longer-term goal:

- ***Establish a Presidential Advisory Council on Travel and Tourism:*** More than a year-and-a-half ago, TBR called for the creation of this body, which is currently under consideration within the Bush Administration. Comprised of 35 presidentially appointed representatives of business, government and non-profit organizations with expertise in policy matters impacting tourism development, the Council would be the ideal body to explore ways that the travel and tourism industry can work for the benefit of our nation. The Council would advise the President on national tourism policy and would help ensure that travel and tourism receives a more sustained and vigorous policy focus at the federal level. It would also help coordinate the activities of the Administration and the many departments and agencies that impact travel and tourism. While the Council would be created by Executive Order under the Federal Advisory Committee Act (FACA), TBR requests your support in urging the President to create this body.
- ***Create a Destination Marketing Pilot Program:*** A pilot program should be undertaken immediately to test the efficacy of international destination marketing initiatives. For example, Congress could select five states and five cities across America based upon geographic and population diversity, and appropriate a fixed dollar pool to underwrite a specific, new international marketing initiative. The participants would select their own international targets and could employ whatever marketing strategies deemed appropriate. Within three months of the conclusion of the outreach, a written report would be due to Congress that defined in measurable terms the tangible success of the program's ability to increase the targeted international arrival pool.
- ***Increase Funding for the Market Development Cooperator Program or Fund a Similar Tourism-Specific Program:*** We understand that Congress appropriates \$2 million annually to the Department of Commerce to run this matching grant program to help state offices, trade associations, chambers of commerce and other non-profit organizations market their non-agricultural products and services overseas. While this could be an ideal tool for state tourism offices and convention and visitors bureaus to leverage to promote their destinations overseas, a Commerce official has informed us that the fund has not been tapped for tourism-related purposes – most likely because no one in the industry has heard about it. Increased funding for this program, or the establishment of a similar program that is specifically aimed at travel and tourism ventures, would help encourage eligible travel and tourism entities to take advantage of this program. TBR pledges its assistance in getting the word out to ensure that eligible travel and tourism entities apply for such funds.
- ***Enact the American Travel Promotion Act (H.R. 3321):*** Last November, Congressmen Foley and Farr, the Co-chairs of the Congressional Travel and Tourism Caucus, introduced this legislation in an effort to encourage states to boost their travel promotion efforts. We urge Congress to pass H.R. 3321, because we believe the \$100 million in matching grants to states that this legislation would provide is a much-needed stimulus to states, local governments and the U.S. travel and tourism industry as a whole.
- ***Remove Structural Impediments to Expanded International Arrivals:*** Agencies of the federal government such as the U.S. Commercial Service at the Commerce Department, which staffs commercial officers throughout the world, should be better educated to become tourism promotion savvy. Congress should direct federal officials to aggressively look for ways to promote travel to the U.S.

- ***Increase and Restore the Tax Incentives that Spur Business Travel:*** The reduction of the business meal and entertainment tax deduction from 100 percent to 50 percent and the elimination of the spousal travel tax deduction negatively affected the restaurant and entertainment industries and the business customers they serve even before September 11, particularly harming small businesses. As I noted earlier, even the Federal Reserve Board has recognized the affects of the drop in business travel across the country. TBR encourages Congress to upwardly revise the business meal and entertainment tax deduction and restore the spousal travel tax deduction. Doing so would provide an immediate incentive for small businesses and corporations alike to authorize their personnel to start traveling again.
- ***Continue Funding for the Commerce Department's Request for Travel and Tourism Satellite Accounts (TTSAs):*** TTSAs serve as a primary source of data for tourism policymaking by establishing a consistent, measurable framework for analyzing tourism expenditures and employment in a systematic manner. The sectors measured include purchases of airfares, lodging, meals and beverages, shopping and other travel activities. This research helps the Department and the industry gain a better understanding traveler preferences and economic trends across the varied sectors that make up the travel and tourism industry. TBR urges Congress to continue funding for this vital research.
- ***Ensure that the Industry has a Consultative Role in the Creation of the New Department of Homeland Security:*** There are a variety of ways in which the activities of the agencies that will comprise the new Department of Homeland Security will immediately affect the vitality of our industry. With that in mind, TBR created a Homeland Security Task Force this summer and sent to Congress a series of recommendations about issues of immediate concern. The goal of creating a central point of coordination to protect American citizens within our borders is a worthy one, and our industry supports this important mission. As Congress considers legislation on the new Department, we hope you will bear our recommendations in mind, particularly with an eye toward ensuring that there is a formal, consultative process that helps the Department achieve its important mission without compromising the industry's ability to create economic growth throughout our nation.
- ***Work with Mayors and Governors to Develop Achievable Travel and Tourism Strategies:*** America's Mayors and Governors are on the frontlines and have an intimate understanding of the power of travel and tourism as a driver for economic development and job creation in their cities and states. We urge you to work closely with them to develop strategies that will spur travel and tourism growth across the nation.

CONCLUSION

My final request of you requires no congressional action, but would make all the difference in the world to the businesses and employees that comprise the U.S. travel and tourism industry. Above all things, I urge you and your colleagues to help end the indifference that Washington has long held toward the travel and tourism industry. A recent independent Gallup poll found that the restaurant industry is the most highly regarded business sector in the country, closely followed by the travel industry, which ranked eighth. Clearly there is a recognition outside the Beltway of our industry's importance. The United States, much like the rest of the world, is defined by its service economy. The 1950s industrial economy has given way to the 21st Century service economy. Travel and tourism defines that service economy around the world. We create jobs and careers; we fulfill important social policy goals, such as moving

people from welfare to work; we contribute more than \$99 billion in tax revenue for federal, state and local governments to drive our economy; and we create an enormous travel trade surplus to offset even the worst national balance of payments deficit. We are in 50 states and 435 congressional districts. In short, we are your core constituency. Please respect our contribution by nurturing our employers and employees with policies that will enable us to accomplish even more.

Again, I thank you for inviting the Travel Business Roundtable to present its thoughts and concerns today, and we look forward to continuing to work with you to enact realistic policy solutions to spur increased travel to and within the United States. I am happy to answer any questions you may have.

TRAVEL BUSINESS ROUNDTABLE



MEMBERSHIP

American Airlines
American Express Company
American Hotel & Lodging Association
American Resort Development Association
American Society of Association Executives
Amtrak
Asian American Hotel Owners Association
Association of Corporate Travel Executives
Budget Group Inc.
Business Travel News
Carey International Limousine
Carlson Hospitality Worldwide
Cendant Corporation
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Delta Air Lines, Inc.
Detroit Metro Convention and Visitors Bureau
Diners Club International
Distinguished Restaurants of North America
Fairmont Hotels & Resorts
FelCor Lodging Trust
Four Seasons Hotels & Resorts
Greater Boston Convention and Visitors Bureau
Greater Fort Lauderdale Convention & Visitors Bureau
Greater Miami Convention & Visitors Bureau
Gucci Services Ltd.
The Hertz Corporation
Hilton Hotels Corporation
Hotel Employees and Restaurant Employees
International Union
HRW Holdings, LLC
Hyatt Hotels Corporation
IBM
Inc. Magazine
International Association of Convention and Visitors
Bureaus
International Council of Shopping Centers
Interval International
JetBlue Airways Corporation

Las Vegas Convention and Visitors Bureau
Loews Hotels
Los Angeles Convention and Visitors Bureau
Lufthansa Systems North America
Mandalay Resort Group
Manhattan East Suites Hotels
Marriott International Inc.
MeriStar Hotels and Resorts Inc.
The Mills Corporation
National Basketball Association Entertainment
National Football League
National Hockey League
National Restaurant Association
New York University
Newport County Convention and Visitors Bureau
Northstar Travel Media, LLC
NYC & Company
Omega World Travel
Pegasus Solutions, Inc.
PricewaterhouseCoopers, LLP
The Rappaport Companies
Seattle's Convention and Visitors Bureau
Six Continents Hotels Inc.
Smith Travel Research
Starwood Hotels & Resorts
Strategic Hotel Capital Incorporated
Taubman Centers, Inc.
Tishman Construction Company
United Airlines
Universal Studios
United States Conference of Mayors
USA Today
Vail Resorts, Inc.
Walt Disney Parks and Resorts
Washington D.C. Convention and Tourism Corporation
Waterford Group, LLC
WH Smith USA Travel Research
World Travel and Tourism Council
Zagat Survey

TRAVEL BUSINESS ROUNDTABLE



FOR IMMEDIATE RELEASE
August 22, 2002

**SURVEY SHOWS TRAVELER CONFIDENCE RETURNING;
CONCERNS OVER THE ECONOMY'S HEALTH IS
PRIMARY REASON CONSUMERS ARE AVOIDING TRAVEL**

*** BUSINESS TRAVEL RECOVERING MORE SLOWLY THAN LEISURE,
WITH NEARLY ONE IN FIVE FREQUENT BUSINESS TRAVELERS MAKING FEWER TRIPS**

*** OVERWHELMING MAJORITY OF TRAVELERS THINK AIRPORT SECURITY IS BETTER NOW
THAN BEFORE SEPTEMBER 11, BUT ACKNOWLEDGE A HASSLE-FACTOR AND ROOM FOR IMPROVEMENTS**

Washington, D.C. – Nearly one year after the September 11 terrorist attacks, price-cutting by the travel industry and enhanced security measures at airports have stimulated demand and largely restored the confidence of U.S. travelers. But an industry rebound remains uncertain, with leisure and business travelers both citing the economy as the prime reason they are traveling less, according to a new nationwide survey released today that was commissioned by travel website Orbitz for the Travel Business Roundtable (TBR) in conjunction with NYC & Company and the Washington Convention and Tourism Corporation (WCTC).

The August 14-15 survey results of interviews with 700 respondents follow two surveys administered by TBR in October 2001 that touched on many of the same issues. The opinion research was done with a random sample of Americans identified as travelers who had taken at least one airline trip or spent one night in a hotel during the previous six months.

The new data shows that while nearly 90 percent of Americans are now traveling more or at about the same level as before September 11, frequent business travelers, who make up the majority of the industry's revenue because of their tendency to purchase higher-priced fares or rooms, continue to make fewer trips.

"Though lower prices and increased security measures have helped get Americans traveling again, the ongoing economic uncertainty in the U.S. is a barrier to the industry's recovery," said Jonathan Tisch, chairman of TBR and chairman and CEO of Loews Hotels. "With consumers seeing their savings significantly decreased or wiped out by the recent performance of the stock market or their 401k retirement plans, they are cutting back on discretionary spending, including travel. Vacations are being shortened or canceled altogether. Likewise, businesses continue to cut back on non-essential travel, keeping their travel costs down as well."

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Nearly one-half of all travelers surveyed cited economic factors as the reason they would avoid taking a trip. Thirty-two percent of all travelers surveyed said budget considerations would be the prime reason keeping them from traveling more than 100 miles from home or that traveling had become too expensive, and 12 percent said that they are not traveling due to economic uncertainty.

Not coincidentally, the reluctance of Americans to travel could hinder the speed of an economic recovery in the U.S. As the nation's second largest employer, employing more than 18 million people, and the third largest retail industry, travel and tourism was a \$582 billion industry in 2000, generating nearly \$100 billion in federal, state and local tax revenues.

Forty-six percent of business travelers were either much more or somewhat more reluctant to travel in the month following the events of September 11, and today 39 percent of business travelers remain much more or somewhat more reluctant to travel – an improvement of only seven percentage points. On the other hand, 27 percent of leisure travelers today are much more or somewhat more reluctant to travel – an improvement of 18 percentage points from last October.

According to Jeff Katz, Orbitz president and CEO, luring the frequent business traveler back to the air and the road is also critical to the travel and tourism industry's recovery.

"There are very promising signs that indicate Americans are nearly back to their normal levels of travel," said Katz. "The resiliency that is being demonstrated by leisure travelers since September 11 is especially encouraging. Discounts and great travel deals are still available, and continue to help drive the recovery of the leisure travel market."

Katz continued, "However, there is a clear lag in the resumption of business travel patterns. Among frequent business travelers, 17 percent say that they are traveling less now – five percent more than the population at large. Though a small percentage of the traveling population, these frequent business travelers contribute to nearly half of the industry's overall revenue."

The Orbitz-sponsored survey for the TBR also found:

- While 89 percent of all travelers think airport security is better now than it was before September 11, 2001, three in ten (30 percent) believe that the current level of security measures imposed so far are "insufficient" and more can be done – an increase of five percentage points from last October.
- Business travelers' and leisure travelers' opinions differ on the new security measures. Among frequent business travelers, only 60 percent think that the new measures are sufficient, versus 74 percent of frequent leisure travelers.
- Nearly four out of every five (79 percent) frequent business travelers have received heightened security screening (i.e. a "pat down" or removal of shoes).
- Just over one in five (21 percent) frequent business travelers find security screening procedures very consistent from airport to airport.

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- More than one in ten travelers (11 percent) have canceled their flights or fly less frequently because of the hassles of airport security.
- Thirty-one percent of female business travelers who have reduced their level of flying because of the hassles of security have done so because of the personal “intrusion from security,” compared to 12 percent overall. By contrast, of male business travelers who have reduced their level of travel, only 4% cited the intrusion of security as the reason.

According to Tisch, while commercial airline travel is perceived to be very safe, the “hassle-factor” associated with heightened airport security, a lack of confidence in the sufficiency of the airport security measures and inconsistencies in the screening process from one airport to another confirm a recent trend by travelers to make trips by car instead of airplane. The percentage of those who view automobiles as the safest place to be has risen from 69 percent last October to 76 percent.

Among the survey’s other results:

- Of those who say they are traveling more now than a year ago, 45 percent say they are more inclined to book their travel online, either through the airline directly or via an independent travel site such as Orbitz (versus 20 percent who say they are less inclined).
- Of those who purchase travel online, 21 percent use an independent website versus 17 percent who book directly via the airline website.
- Twenty-nine percent of travelers are less inclined to take an international trip since the events of September 11. Almost one in ten (nine percent) have delayed, postponed or canceled an international trip. The number is even higher among male business travelers, of whom 16 percent have canceled an international trip.
- Nearly one in four (23 percent) travelers who are less inclined to take an international trip say they would rather travel in the U.S. and support the domestic economy.
- Travelers are more inclined to visit Washington, D.C. or New York City now than they were a year ago. Seventy-six percent of travelers surveyed said they would not avoid a trip to Washington, D.C. and 75 percent said they would not avoid a trip to New York City, an improvement over last year of seven percentage points and four percentage points respectively.
- Fifty-eight percent of travelers are closely watching the debate over the future World Trade Center Memorial and 75 percent plan to visit it.
- A majority (68 percent) of frequent business travelers say the travel industry response to the events of September 11 was “better than expected,” while nearly one in four say the industry response was “worse than expected.” Comparatively, 74 percent of all travelers said the industry responded “better than expected.”

“One year later, the tragic events of September 11 continue to impact the travel and tourism industry,” said Tisch. “The industry has responded, and we are seeing promising signs that reaffirm the progress being made. Clearly, more needs to be done, and the industry and government should continue to work collaboratively to find solutions that will get more Americans traveling, and spur more international travelers to visit the U.S.”

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The survey was commissioned by Orbitz and conducted on behalf of the Travel Business Roundtable in conjunction with NYC & Company and the Washington Convention and Tourism Corporation by Penn, Schoen, Berland and Associates on August 14 and 15. The survey had a sample size of 700 respondents (margin of error +/- 3.8 percent). The sample was broken in equivalent groups of business and leisure travelers. This is the third wave of the survey that seeks to track changing traveler attitudes in the aftermath of the September 11 terrorist attacks. The first and second waves were conducted in October 2001.

About TBR:

The Travel Business Roundtable is a CEO-based organization representing all sectors of the travel and tourism industry, including major airlines, hotels and lodging, restaurants, retail outlets, travel management companies, car rental companies, financial services institutions and others. The roster of members reflects the interdependence of all sectors of the travel and tourism industry and demonstrates the need to work collaboratively, especially during these challenging times.

About Orbitz:

Orbitz is a leading online travel company offering consumers the largest selection of low airfares, as well as deals on lodging, car rentals, cruises, vacation packages and other travel. Orbitz' state-of-the-art flight search engine searches more than 455 airlines - up to 2 billion flight and fare options - offering an unbiased and comprehensive list of airfares and schedules. Founded by the world's leading airlines - American (AMR), Continental (CAL), Delta (DAL), Northwest (NWAC) and United (UAL) airlines - Orbitz also offers consumers a large collection of discounted web-only air fares. For more information, visit www.orbitz.com.

About WCTC:

The Washington, D.C. Convention and Tourism Corporation serves as the lead organization to successfully manage and market Washington, DC as a premier global convention, tourism and special events destination. Through successful development and execution of centralized and cohesive sales and marketing strategies, the WCTC generates economic benefits to the citizens of the District of Columbia, the convention and tourism industry, stakeholders and the Washington Convention Center Authority, with a special emphasis on the arts, cultural and historical communities.

The private, non-profit corporation has a membership of nearly 1,000 businesses and organizations that support the travel and tourism industry in our nation's capital. The city's tourism industry generates more than \$10 billion in direct spending each year and sustains 260,000 jobs.

The Washington, DC Convention and Tourism Corporation was established by business and community leaders in April 2001 by merging the Washington, DC Convention and Visitors Association and the DC Committee to Promote Washington.

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About NYC & Company:

NYC & Company, the city's official tourism marketing agency, is a private, non-profit membership organization dedicated to building New York City's economy and positive image through tourism and convention development, major events and the marketing of the city on a worldwide basis.

Check out NYC & Company's new web site at www.nycvisit.com.

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Editors notes:

- Complete survey data can be found on TBR's website (www.tbr.org) or on www.orbitz.com/presentation.
- A recording of the media teleconference that announced the survey's results will be available at approximately 2:00PM EDT and can be accessed until August 24. To listen to the recording, callers should dial 1-800-677-6200 (international callers dial 1-913-385-6780) and when prompted enter PIN #2376.

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